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SUBJECT: GOP DELAYS PROPERTY RIGHTS LEGISLATION - WILL TALK WITH EXPATS

REF: 09 PANAMA 795

I1. (SBU) Ambassador Stephenson informed Vice-President and Foreign Minister Juan Carlos Varela on October 23 of the angst of American citizens in Panama over proposed law 71 (which deals with property rights), which many American citizens perceive as a form of expropriation. (See Reftel.) Varela immediately called the President of the National Assembly, his brother Jose Luis "Popi" Varela, to inquire about the status of the legislation. He also promised to ask Alberto Vallarino, the Minister of Economy and Finance, to convene a public forum for expatriates in Panama. Popi Varela stated that Vallarino wanted to push the legislation through the National Assembly by October 30, but the Varela brothers (who are rivals of Vallarino within the Panamenista Party) were able to delay this timeline. Vallarino contacted Ambassador Stephenson on October 26 to state he would personally speak to the expatriate community about proposed law 71 on October 29. Vice-Minister Dulcidio de la Guardia, who reports to Vallarino, and a representative from the land titling agency will be present at the town hall meeting. The Embassy informed the American community of the meeting through the warden system while also informing other Embassies of the meeting. Post will attend the town hall meeting and stay in close touch with both the GOP and the Amcit community.  
STEPHENSON